USKH
SHARED VISION. UNIFIED APPROACH.

September 15, 2008

Parkson Corporation
c/o Cory Firzlaff
W.H. Reilly
10132 S. 440 E.
Sandy, Utah 84070

Subject: Phosphorus Removal Process Bond, Wastewater Treatment Facilities, City of Plummer

Dear Mr. Firzlaff:

As we continue through the design process, and as we've previously discussed over the phone, USKH has determined in consultation with the City of Plummer that for the phosphorus removal process we will require that the successful bidder provide a stand-alone $1,000,000 bond, over and above the normal bid, payment and performance bonds. This bond is to be provided through a licensed bonding agency as part of the contract requirements for the City's upcoming wastewater treatment facility bid, projected for advertisement in February 2009 and opening in March 2009. This supplementary performance bond will be against the previously-discussed 0.025 mg/L average monthly ortho-phosphorus removal limit.

Specifically, this is most likely the language that will be in the bid documents, in the Supplementary Conditions as SC5.01.A :

Contractor shall furnish a supplementary performance bond in the amount of $1,000,000.00 guaranteeing that the phosphorus removal process provided will achieve an average monthly limit of 0.025 milligrams per liter ortho-phosphorus, given the following parameters of the influent to the process from the secondary-processed liquid:

Influent monthly flow rate:	0.165 to 0.315 million gallons per day.
Influent biochemical oxygen demand:	5 to 10 milligrams per liter
Influent total suspended solids:	10 to 15 milligrams per liter
Influent total phosphorus as P:	0.5 to 1.0 milligrams per liter
Influent orthophosphorus as P:	0.5 to 1.0 milligrams per liter (to be confirmed)
Influent total nitrogen as N:	3.0 to 5 milligrams per liter
Influent ammonia as N:	0.5 to 1.0 milligrams per liter
Influent Total alkalinity:	80 milligams per liter as CaCO3 (to be confirmed)

This bond shall remain in effect until two years after the date when final payment becomes due or until completion of the correction period specified in General Conditions Paragraph 13.07, whichever is later, except as provided otherwise by Laws or Regulations or by the Contract Documents.

USKH has begun collecting data to verify the parameters above, working with the City of Plummer. To date, the data we have collected is reflected in the influent water quality listed above. Please provide us with a list of any additional analytes you need to make the process

guarantee by Friday, September 26, 2008. As you can see above, we have not collected any data on calcium concentrations. We are now collecting data on total alkalinity as CaCO3. Please call or email me as soon as possible.

Sincerely,
USKH Inc.

Alan E. Gay, P.E., Associate
Project Manager

c: Donna Spier, City of Plummer, P.O. Box B, Plummer, ID 83851
Jim Kackman, Public Works Director, Coeur d'Alene Tribe, P.O. Box 408, Plummer, ID 83851
Scott Fields, Water Quality Program Director, Coeur d'Alene Tribe, P.O. Box 408, Plummer, ID 83851
Susan Poulsom, EPA Region 10, 1200 Sixth Avenue, Seattle, WA 98101
Gary Gaffney, P.E., Idaho DEQ, 2110 Ironwood Parkway, Coeur d'Alene, ID 83814
Kent Erickson, USDA RD, 9173 West Barnes Drive, Suite A1, Boise, ID 83709
Jeff Logan, P.E., USKH
Jeri Myer, AeroMod, Inc., 7927 US Highway 24, Manhattan, KS 66502

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September 15, 2008

Mark Lopp
Blue Water Technologies, Inc.
10450 N. Airport Drive
Hayden, Idaho 83835-9742

Subject: Phosphorus Removal Process Bond, Wastewater Treatment Facilities, City of Plummer – Revised Letter

Dear Mr. Lopp:

Following up on our conversation from last week, we've changed the influent requirement to the minimum standards to be met by the effluent from the extended aeration portion of the facility (AeroMod).

As we continue through the design process, and as we've previously discussed over the phone, USKH has determined in consultation with the City of Plummer that for the phosphorus removal process we will require that the successful bidder provide a stand-alone $1,000,000 bond, over and above the normal bid, payment and performance bonds. This bond is to be provided through a licensed bonding agency as part of the contract requirements for the City's upcoming wastewater treatment facility bid, projected for advertisement in February 2009 and opening in March 2009. This supplementary performance bond will be against the previously-discussed 0.025 mg/L average monthly ortho-phosphorus removal limit.

Specifically, this is most likely the language that will be in the bid documents, in the Supplementary Conditions as SC5.01.A :

> Contractor shall furnish a supplementary performance bond in the amount of $1,000,000.00 guaranteeing that the phosphorus removal process provided will achieve an average monthly limit of 0.025 milligrams per liter ortho-phosphorus, given the following parameters of the influent to the process from the secondary-processed liquid:
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Influent monthly flow rate:	0.165 to 0.315 million gallons per day.
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Influent total suspended solids:	10 to 15 milligrams per liter
Influent total phosphorus as P:	0.5 to 1.0 milligrams per liter
Influent orthophosphorus as P:	0.5 to 1.0 milligrams per liter (to be confirmed)
Influent total nitrogen as N:	3.0 to 5 milligrams per liter
Influent ammonia as N:	0.5 to 1.0 milligrams per liter
Influent Total alkalinity:	80 milligams per liter as CaCO3 (to be confirmed)

This bond shall remain in effect until two years after the date when final payment becomes due or until completion of the correction period specified in General Conditions Paragraph 13.07, whichever is later, except as provided otherwise by Laws or Regulations or by the Contract Documents.

USKH has begun collecting data to verify the parameters above, working with the City of Plummer. To date, the data we have collected is reflected in the influent water quality listed above. Please provide us with a list of any additional analytes you need to make the process guarantee by Friday, September 26, 2008. As you can see above, we have not collected any data on calcium concentrations. We are now collecting data on total alkalinity as CaCO3. Please call or email me as soon as possible.

Sincerely,
USKH Inc.

Alan E. Gay, P.E., Associate
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